

The Worldwide Organization Serving the Exhibition Industry

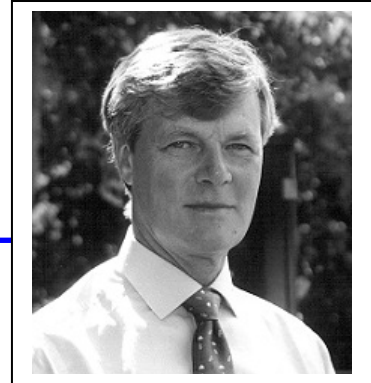
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A Message from UFI's President




Dear Member, Dear Reader,

The end of 2002 has seen a number of meetings of our industry at all levels on each of the different continents. Few organizers of trade shows will be sorry to see the end of 2002. What is clear, however, is that there are still a large number of companies doing very well in this difficult market.

The IT and communications industry have not improved but in many other areas companies are reporting record results. The outlook in Asia and the United States would seem to be improving, whilst here in Europe we are seeing challenging times in most trade shows.

This has been a year in which UFI's financial fortunes have considerably improved. We have had a successful Congress as well as our Summer Seminar in Geneva and Asian Meeting in Singapore. 2003 will see a consolidation and improvement in these areas and will also see the first results of a coordinated international promotion program for our industry. We are determined to make progress in this area and provide the leadership which will help all our members to sell the benefit of face-to-face selling and promote the overall benefits of trade shows in the marketing mix.

I pass on my good wishes for the Festive Season from all the staff at UFI headquarters and look forward very much to working with you in 2003.


President, UFI



Upcoming Meetings and Events

2003

UFI Marketing Committee	Budapest (H)	Jan. 20
UFI Business Management Committee	Hanover (D)	Jan. 28
UFI Exhibition Halls & Fairgrounds Committee	Gothenburg (S)	Feb. 7
UFI European Chapter	Leipzig (D)	Feb. 14
Joint IAEM/UFI Board Meeting	Miami FL(USA)	March 5-6
UFI Executive Committee	London (UK)	March 14
UFI Steering Committee	London (UK)	March 14
UFI-XM Summer Seminar including a Seminar on Waste Management	Gothenburg (S)	June 11-12-13
70 th UFI Congress	Cairo (EG)	October 19-21

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Business Management Committee Recognizes Need to Meet Customer Demands

Meeting in Munich on October 23, 2002, UFI's "think tank", the Business Management Committee, examined the impact of industry trends on the international trade fair sector. Among the key points which the group identified are the following:

- the exhibition industry has reached maturity and can anticipate a slower growth rate in the future;
- while the original tradeshow focus remains intact, there is a need for adaptation to keep up with changing markets;
- there is an increased interdependence between space rental and customer services;
- there is a danger of reduced exhibitor commitment due to economic uncertainty.

Essentially the Committee recognized a substantial change required within the industry from "producer" of trade show products to provider of value-added services. It was agreed that the industry will have to reexamine its general cost structure in order to be able to increase marketing and communications budgets, to improve pricing flexibility and to retain profitability. In addition, this must be accomplished within a context of globalisation requiring a new dynamic business culture.



*Business Management Committee
Chairman Prof. Dr. Klaus E. Goehrmann
reporting on the Committee's findings to
the 69th UFI Congress.*

The Committee recognized the enormity of the task before our industry and also stressed the need to accelerate our efforts in promoting the world of fairs and exhibitions if we are to ensure further prosperous development.

UFI European Regional Chapter Meeting

The European Regional Chapter met in Munich on October 23 to elect new officers and review current programs.

Jochen Witt (KölnMesse) was re-elected as Chapter Chairman, Sergey Alexeev (Lenexpo, St. Petersburg), Corrado Peraboni (Fondazione Fiera Milano) and Ruud van Ingen (Royal Dutch Jaarbeurs) as Vice Chairmen, and Wolfgang Schellkes (Fair Relations, Pulheim) as Secretary, each for a 2 year mandate.



*Jochen Witt, UFI European Regional
Chapter Chairman, discussing the
planned benchmark study.*

Jochen Witt briefed the Committee on the status of the benchmark study which the group is undertaking in cooperation with the University of Cologne. Twenty five companies are currently registered to participate. The study will begin in January 2003, so it is still possible to register.

Dr. Rainer Meckes (Simon Kücher & Partners) gave a presentation on the topic of "The Current State of the European Fair Business." Members can download this presentation on the UFI website in the Members area. Additional presentations on the topic of mergers and cooperation of European fair companies by Dick Molman (Royal Dutch Jaarbeurs), Peter Denger (Messe Schweiz), Michael Breet (Reed Exhibition Companies) and Davorin Spevic (Central European Fair Alliance CEFA) can also be obtained directly online at the UFI website (www.ufinet.org). This is in the zone reserved for Members and is accessible using your password and login.



UFI Meetings (continued)

UFI Asia/Australasia/Middle East Chapter reviews current state of affairs

Meeting in Munich on October 23, the AAME Committee re-elected Michael Duck (CMP Asia Hong Kong) as its Chairman. Elected as Vice-Chairmen were Nobuo Ogawa (Japan Management Association, Tokyo), Imad Al-Zou'bi (Syrian Arab



Republic Public Establishment for International Fairs & Exhibitions) and Mrs. Chen Ruowei (China International Exhibition Centre Group Corp., Beijing), ensuring active UFI representation throughout this geographically vast region. The group reviewed the state of the exhibition industry in the region. Moderate optimism at the state of economic recovery was expressed by those from Asia and Australasia.

Daniel Lam of the Hong Kong Trade Development Council pointed out that Hong Kong continues to grow following the entry of China into the WTO. Hong Kong is playing a pivotal role as a hub for

Chinese trade activities in all directions. Growth on the mainland is proceeding at an incredible pace, with an increase in exhibition venue capacity of 80% per year expected by China Int'l Centre's Zheng Shijun. This growth in capacity is often seen as a means to bring prestige and pride to each city.

Hiroaki Ueno (Japan Management Association) reported that Japanese tradeshows, traditionally owned by industry associations, are increasingly being sold to commercial organizers. The Japanese economy is still uncertain and this is reflected in reductions in exhibitor marketing budgets.

James Papineau (Suntec Singapore) noted that major international players are reducing operations in Singapore in favour of China. Despite this, the amount of exhibition space sold remains stable; with the arrival of new smaller shows. Jonathan Kan (MACEOS) observed that Malaysia's exhibition industry continues to grow supported by government tax incentives for organizers. Michael Duck reported that the Australian exhibition industry has been strong, fuelled by the low Australian dollar.

Imad Al-Zou'bi said that the exhibition industry in the Middle East and Arab region has developed since 2000. This is fostered by the increasing number of event organizers. The area continues to attract strong European participation and increasingly draws exhibitors from China and Japan.

Associations Committee elects new Chairman to lead future initiatives

Under the guidance of outgoing Chairman Alain Weber (FSCF, Paris), the Associations Committee elected new officers to carry on with the objectives of the group during the next two years. Boguslaw Zalewski (Polish Trade Fair Corporation/CENTREX) was elected Chairman and Dr. Hermann Kresse (AUMA, Berlin) Vice Chairman.

The Committee endorsed participation in a new UFI Headquarters initiative to develop global statistics showing the economic impact of the trade fair and exhibition sector. The Committee's 35 national and international associations representing

45 countries will constitute an excellent information core for the development of this project. The Committee agreed that this initiative will significantly contribute to UFI's credibility as the organisation represents fairs and exhibitions in the international arena.

Steven Hacker, President of IAEM, invited association members to attend the Global Council meeting in Orlando in December. This joint initiative of UFI and IAEM provided an ideal opportunity to exchange information and resolve issues of common interest. The date and location of the next Associations Committee meeting will be announced shortly.



UFI Meetings (continued)

Friends of UFI

UFI is all about networking to share professional expertise. At UFI Headquarters, we are increasing communications to a far broader spectrum of colleagues than in the past.

As the new UFI database is now up and running we want to use it to reach as many "friends" of UFI as possible.

You can help us by providing contact details on those of your contacts and colleagues you feel would be interested in receiving information electronically on UFI and its activities.

We look forward to receiving names of your colleagues who you feel would also benefit from UFI communiqués. Please provide the following input directly at info@ufinet.org:

- Title
- First name
- Family name
- Position
- Direct email address
- Fax/telephone

And don't forget to have your Press officers supply us personnel news for UFI Info.

Please be assured that the information you provide will not be redistributed to any organizations not directly affiliated with UFI.

UFI Statistics & Transparency Committee to Tackle Data Collection Standards

Meeting in Munich on October 24, the UFI Statistics & Transparency of Trade Fairs/Exhibitions Committee, chaired by Manfred Wutzlhofer (FKM/Messe München GmbH) agreed to take the first steps towards the development of a show rating system.

Recognizing that this is an enormous task which may meet with some resistance among members, the committee agreed that their first efforts will be directed towards developing a standardized information gathering template which will eventually ensure that information gathered is uniform.

As the UFI Associations Committee is also working to develop statistics showing the economic impact of the trade fair industry globally, a degree of interaction between the two committees will be coordinated by UFI Headquarters.

Manfred Wutzlhofer suggested that questions of qualification, benchmarking and ratings of the fairs/exhibitions industry be reviewed by the Committee in the coming months.

UFI 69th Congress speaker presentations and over 150 photos of the 69th Congress can now be downloaded from the Members Area of the UFI website at www.ufinet.org.

Don't hesitate to contact brjac@ufinet.org if you've misplaced your member login or password.



An Appreciation of Asian Development by Vincent Gérard, UFI Managing Director

Only ten years ago the number of exhibitions held in China was relatively small. The market was essentially absent of all international participation. Well, I've just returned from attending the 2002 International Exhibition Industry Summit of Shanghai, and I can assure you that things today are dramatically changed!

The summit attracted 248 participants from 13 nations. What an excellent networking opportunity this provided! Endorsed by UFI, the CCPIT (China Council for the Promotion of International Trade) and XM, the summit was organized by the Shanghai Pudong New Area People's Government, together with the SNIIEC (Shanghai New International Expo Centre Co. Ltd) and the Shanghai Convention and Exhibition Industries Association. UFI President Sandy Angus and UFI AAME Chapter Chairman Michael Duck were guest speakers at the conference whose audience was essentially Chinese and Asian.

I was particularly impressed by the frankness of the presentations and dialogue. While focusing on the booming exhibition business in Shanghai, the Summit did not ignore the intensity of competition developing between different Asian cities. Hong Kong, Singapore and Shanghai are among those particularly vocal in their efforts to claim a dominant position among the fairs and exhibitions industry in Asia.

While the trade fair industry in Europe can be said to be stabilized, the contrary is true in Asia where dynamic growth in this youthful industry is helped by a strongly developing economy and active government support. This is particularly obvious in China where we find an increasing number of European and American exhibition organizers and venue managers developing programs and

partnerships. The new Shanghai Exhibition Park, for example, is a joint venture of Deutsche Messe AG Hannover, Messe München GmbH and Messe Düsseldorf GmbH on one side and the Shanghai Pudong Land Development (Holding) Corporation.

The differences between Asian markets, legislation and levels of professional expertise are, nevertheless, notable. In certain countries, one can already imagine the development of standards for fairs and exhibitions, while in others there are still legislative efforts to be made concerning "intellectual property." But everywhere we sense a drive to advance on all fronts as the potential of fairs and exhibitions is well appreciated.

With the help of international partner organizations, progress is clearly underway. The recently signed agreement between IAEM (USA) and the China and Korea which will bring a regionally adapted version of the CEM (Certified Exhibition Management Program) to the area, is certainly a step towards increased professionalism in our sector.

UFI's Regional Chapter is growing rapidly and UFI and XM will be organizing their second Asia Meeting this spring. UFI's Incoming President, Ruud van Ingen will represent UFI at Interexpo China 2003 in Wuhan in January. This is an excellent follow-up to UFI's participation in December at the Meeting in Shenzhen where Michael Duck, President of UFI's Asia/Australasia/Middle East (AAME) Chapter, represented UFI.

Do you agree with me that things are moving quickly in this region? I am convinced that UFI and its members can look forward to playing an exciting and influential role in the development of our industry in Asia.



Interview with New UFI Exhibition Halls and Fairgrounds Committee Chairman

Thoughts from Annette Slotty, newly elected Chairman of the UFI Exhibition Halls & Fairgrounds Committee



*Recently elected to Chair
the UFI Exhibition Halls &
Fairgrounds Committee,
Annette Slotty of Messe
München GmbH spoke to
UFI's Lili Eigl on her vision
for the Committee.*

EIGL: What are your first ideas on the future work of the Committee?

SLOTTY: My first priority is that the work of the Committee provides tangible results for all UFI members. In fact the results should eventually be felt strongly by exhibitors and visitors as well.

EIGL: What topics will the committee be dealing with during the next year?

SLOTTY: I'd really like to build a framework of technical guidelines for UFI members. This would provide a baseline for exhibitors of technical regulations and conditions everywhere they are contracting with a UFI member. Obviously as conditions vary at the individual sites, the regulations themselves will also differ occasionally.

EIGL: What about the topic of "waste management"?

SLOTTY: We'll continue with the work begun by my predecessor Fernando Caldeira Santos. The UFI Waste Management Survey provided us with useful information on which to proceed. This issue is important for fairgrounds, organizers, stand builders and exhibitors alike and also focus on environmental questions as well as on financial requirements.

We have started the first phase of cooperation with EMECA (European Major Exhibition Centres Association) which is also working on this subject to develop new initiatives in this area.

EIGL: Are any new initiatives planned for the Committee?

SLOTTY: Well, the committee has decided to add security to the topics it will be studying in the future. Registration issues may also be examined.

And don't forget that UFI will be organizing a one day seminar on waste management immediately after the UFI-XM Summer Seminar in Gothenburg, Sweden in June 2003. As you can see we have quite a full programme planned.

EIGL: Thank you Mrs. Slotty. We'll look forward to hearing about the results of the Committee's work in the months ahead.



UFI-EMECA meeting
in Lisbon on October 10, 2002



Benchmarking in the European Trade Fair Industry –

Best Practices and Industry Trends

At the meeting of the UFI European Chapter last year in Cologne a proposal for a European Benchmark Study was presented by Mr. Jochen Witt, Chairman of the UFI European Chapter, and the Institute of Trade Fair Management and Distribution Research at the University of Cologne. The reasons for proposing a Pan-European benchmark study become obvious when regarding the present industry trends:

Competition in the trade fair industry is increasing world-wide. Even though the position of Europe as the world's leading trade fair market is not yet contested, the rising importance of non-European trade fair locations can no longer be ignored. Hence, European trade fair companies must prepare for the ongoing changes. More qualitative and quantitative data is needed for daily and strategic decisions.

As other industries have successfully shown in the past, benchmarking can be regarded as a helpful tool to achieve the necessary market transparency without giving too much sensitive data to competitors. With the help of benchmarking, the fields for improvement can be identified through comparison with other organisations recognised as the best within the area. This comparison enables companies to judge their own position in the market and to receive guidelines for further improvement.

It is because of the recognized industry developments and the clear advantages of a benchmark project that the European Chapter began to consider such a study for the European trade fair industry. In spite of the clearly visible advantages of this research method, no benchmarking study has yet been conducted in Europe. The envisaged project aims at providing an overview of the European trade fair market, to identifying its best practices and to showing dynamic developments within the industry.

Status Quo of the Project

Since last October more than 25 companies have committed to take part in the project. However this number is – surprisingly - smaller than

expected. This allows certain valuable modifications of the methodology of the study. Now, it is possible to conduct a more detailed analysis of the best practices among the participating companies. The study will still have an explorative character, but it will now provide a deeper insight into the value creating processes of trade fair companies than would have been possible with the original concept. The main figures will still be developed through a standardised questionnaire. However, in a second step detailed interviews with selected trade fair companies will serve as a basis for a deeper analysis of the best practices.

Benefit for the Benchmarking Partners

- As the envisaged study will be the first European benchmarking project, *completely new data* will be available for the participants. The benchmarking partners will receive information which cannot be obtained elsewhere.
- The participants of the project will have *exclusive access to the data* raised. Companies not taking part will not be granted access to the information gained by the project. Thus, the participating trade fair companies will have an *advance in knowledge* compared to non-participants.
- As the benchmarking project is organised by an independent institution, all data is treated *strictly confidential*.
- Each participant will receive an *individualised report*. Besides a ranking which shows the *position of the own company compared with competitors*, the benchmarking partners will gain an *overview on the important factors of success and best practices*. The results of the project will be helpful to identify problem areas and fields of improvement.
- Furthermore, benchmarking offers the possibility to record *dynamic developments* and trends within the industry.

.../...



Benchmarking Study (continued)

Benchmarking in the European Trade Fair Industry

Best Practices and Industry Trends

Participation

The European Chapter in October 2001 in Cologne, has mandated the benchmarking project to the Institute of Trade Fair Management and Distribution Research. The Institute is obliged to handle the raised data in strict confidentiality. To guarantee an efficient handling of the project, the team co-ordinating the study needs the full support and commitment of participating trade fair companies' headquarters. Due to the heterogeneity of the European trade fair companies the study will distinguish between different benchmarking categories. On the one hand there are infrastructure aspects, on the other hand there are aspects related to the trade fair event itself. Last but not least the socio-economic effects of a trade fair location for the surrounding region play an important role. Therefore the questionnaire will consist of three different parts: One part focuses on the infrastructure, another part on the organisation of trade fairs and a third part on the economical effects for the region.

At the end of September 2003, a final report will be individually prepared for each participant. Each trade fair company taking part in the study will receive a detailed report on its own market position. The benchmarking partners will receive a ranking showing their own position in relation to the rest of the market (without naming the other companies). The report will provide several rankings for different categories. The industry's best practices will be illustrated. Furthermore, the report will briefly describe the methods used to analyse the data and will explain the single figures and their meanings.

Identify your strengths and weaknesses
Compare your organization against industry partners
Record dynamic development

Join the UFI European Benchmarking Project Today

Contact Rowena Arzt
email: arzt@wiso.uni-koeln.de
tel: (+49) 221 470 4317



Networking

2002 Ends in a Whirlwind of Meeting Opportunities

2002 ended with a round of events which were ideal opportunities for UFI members to network around the world.

First was the **XM Winter Seminar** on 3-4 December in Cannes. The event's theme "Profit Improvement and Show Launches in a Tough Economy for Exhibition Organizers" clearly touched a common chord among the 102 attendees. Closely coordinated a day later to speak to a different audience, the **CEO International Forum** in Cannes played to a full house of 75 participants. Endorsed by UFI in both cases, each of these events provided prime networking opportunities for those who attended.

From Dec. 10-12, UFI's strategic partner IAEM, held its **Annual Meeting and Exhibition EXPO-EXPO** in Orlando Florida. 2000 participants participated in a number of conference programs and workshop sessions. The Global Council took advantage of this gathering to bring together national and international associations from around the world to discuss issues of common interest.

IAEM, UFI's strategic partner, has announced that Jacqueline Russo will be the 2003 Chairman of the organization replacing outgoing David Audrain. Ms Russo is Vice President of PANFAIRS North America, the exhibition division of Panalpina, Inc, a global freight logistics company. This marks the first time that a service provider takes the lead in this organization.

Janos Barabas has been elected President of **AHEFO (Association of the Hungarian Exhibition & Fairs Organizers)**. Mr. Barabas is CEO of **HUNGEXPO Co. Ltd**, UFI member from Budapest.

Participate in the 2003 International Fair Poster Competition

Did you know that the International Fair in Plovdiv has been organizing a highly professional poster competition since 1997? This is held under the auspices of UFI annually. This is the only worldwide showcase for the art of the international fair poster.

In 2002, 85 posters were submitted by 28 Fair organizers. The winner of this prestigious 2002 award was **Skopje Fair** of Macedonia for the poster they created for the 6th International Auto Show AUTOEXPO. Earlier winners include the **International Fair of Porto**, **Feria Muestrario Internacional de Valencia**, **Comite des Expositions de Bordeaux**, and the **Osaka International Trade Fair Commission**.

The competition is open to all UFI members. The assessment criteria are based on: creativity, technical rendition, integrity and originality in representing the exhibition technical parameters - dates, location etc.

Each fair organizer is entitled to submit up to 3 posters of different events designed during the past year. There is absolutely no fee for participating.

For further information on participation conditions, please contact Alexander Dyakov at International Fair - Plovdiv. (mailbox@fair-plovdiv.com) or Lili Eigl at UFI Headquarters (email lili@ufinet.org).

The deadline for submissions is 30 April, 2003, so start preparing your entries now!

 Season's Greetings



From your UFI Team in Paris

(left to right)

Vincent Gérard

Deborah Charman

Briac Le Mouël

Arlette Lahais

Monika Sonnenstuhl

Virginie Patil

Claire Kradoľfer

Lili Eigl